

Message Text

UNCLASSIFIED

PAGE 01 STATE 229036

17

ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06 SP-02

CIEP-02 OMB-01 PA-02 PRS-01 /066 R

66611

DRAFTED BY AMOHANIAN/PAD

APPROVED BY: EB/IFD/ODF:RASWART

DAVID O. BEIM, EXECUTIVE VICE PRESIDENT

EUR/WE:EROWELL (INFO)

----- 128571

R 252010Z SEP 75

FM SECSTATE WASHDC

TO AMEMBASSY MADRID

UNCLAS STATE 229036

E.O. 11652: NA

TAGS: APUB, SP

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO CENTRAL NUCLEAR
DE VALDECABALLEROS

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-
IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 130.4 MILLION
TO CENTRAL NUCLEAR DE VALDECABALLEROS. RELEASE IS SCHEDULED
FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR WEDNESDAY,
OCTOBER 1, 1975.

QUOTE: EXIMBANK SUPPORTS OF DOLS 211.9 MILLION HELPS FINANCE
DOLS 326 MILLION SALE OF U.S. EQUIPMENT AND SERVICES FOR NUCLEAR
PROJECTS IN SPAIN

THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED
A DIRECT CREDIT OF DOLS 130.4 MILLION FOR THE CONSTRUCTION OF
TWO NUCLEAR GENERATING PLANTS IN SPAIN. IN ADDITION, IT IS
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 229036

GUARANTEEING LOANS FOR THE PROJECT TALLING DOLS 81.5

MILLION FROM COMMERCIAL SOURCES. TOTAL U.S. COSTS FOR THE PROJECT WILL COME O DOLS 326 MILLION FOR MACHINERY, EQUIPMENT, INITIAL CORE FUEL FABRICATION AND RELATED SERVICES WITH DOLS 37 MILLION TO BE SPEND FOR FUEL FABRICATION.

THE BORROWERS ARE HIDROELECTRICA ESPANOLA, S.A. (HIDROLA) AND COMPANIA SEVILLANA DE ELECTRICIDAD, S.A. (SEVILLANA), WHICH HAVE FORMED A 50-50 JOINT VENTURE KNOWN AS CENTRAL NUCLEAR DE VALDECABALLEROS TO CONSTRUCT AND OPERATE THE TWO 950 MW NUCLEAR PLANTS. THE PLANTS, DESIGNATED AS VALDECABALLEROS NO. 1 AND 2 ARE TO BE LOCATED NEAR THE CITY OF VALDECABALLEROS IN SOUTHEST SPAIN IN THE PROVINCE OF BADAJOS. TOTAL COST OF THE PROJECT IS ESTIMATED AT DOLS 870 MILLION. BOTH COMPANIES IN THE JOINT VENTURE HAVE RECEIVED EXIMBANK LOANS IN THE PAST AND HAVE BEEN PURCHASERS OF U.S. ELECTRICAL EQUIPMENT FOR 20 YEARS.

GENERAL ELECTRIC COMPANY'S EQUIPMENT WILL BE FURNISHED FROM ITS FACILITIES IN SAN JOSE, CALIFORNIA, AND WILMINGTON, NORTH CAROLINA.

THE EXIMBANK CREDIT REPRESENTS 40 PERCENT OF THE TOTAL U.S. COSTS. CREDITS TOTTALLING DOLS 163 MILLION FROM PRIVATE SOURCES NOT YET DESIGNATED WILL FINANCE 50 PERCENT OF THE U.S. COSTS OF WHICH THE BORROWERS WILL MAKE A CASH PAYMENT OF 10 PERCENT.

EXIMBANK'S INTEREST RATE OF 8 PERCENT WAS NEGOTIATED EARLIER THIS YEAR. THIS RATE, COMBINED WITH THE INTEREST RATE FROM PRIVATE SOURCES AT CURRENT RATES, WILL RESULT IN AN APPROXIMATE BLENDED ANNUAL INTEREST COST TO THE BORROWER OF FROM 9.15 PERCENT TO 9.4 PERCENT.

REPAYMENT OF THE LOANS FOR INITIAL CORE FUEL FABRICATION WILL BE MADE IN TWO SCHEDULES OF 10 SEMIANNUAL INSTALLMENTS EACH, BEGINNING NO LATER THAN JULY 8, 1982, AND JULY 8, 1983, RESPECTIVELY. EXIMBANK'S DIRECT CREDIT FOR FUEL FABRICATION OF DOLS 14.8 MILLION WILL BE REPAID OUT OF A PORTION OF THE SIXTH INSTALLMENT AND ALL OF INSTALLMENTS 7 THROUGH UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 229036

10. REPAYMENT OF THE LOANS FOR PLANT EQUIPMENT WILL BE REPAID IN TWO SCHEDULES OF 20 SEMIANNUAL INSTALLMENTS EACH, BEGINNING NO LATER THAN JULY 8, 1982 AND JULY 8, 1983, RESPECTIVELY. EXIMBANK'S DIRECT CREDIT OF DOLS 115.6 MILLION FOR PLANT EQUIPMENT WILL BE REPAID OUT OF A PORTION OF THE 12THE INSTALLMENT AND ALL OF INSTALLMENTS 13 THROUGH 20.

WITH MANY PROPOSED NUCLEAR POWER PROJECTS IN THE UNITED

STATES BEING DEFERRED OR CANCELLED, SALES RELATING TO THIS
PROJECT WILL HELP U.S. MANUFACTURERS RETAIN THEIR SPECIALIZED
ENGINEERING AND TECHNICAL STAFFS AND MAINTAIN PRODUCTION
WORK FORCES. KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE229036
Document Source: CORE
Document Unique ID: 00
Drafter: PAD
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750334-0111
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750916/aaaaaoiq.tel
Line Count: 119
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 27 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 JUN 2003 by MaustMC>; APPROVED <21 JAN 2004 by izenbei0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS RELEASE ON EXIMBANK CREDIT TO CENTRAL NUCLEAR DE VALDECABALLEROS
TAGS: APUB, SP
To: MADRID
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006